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C O N F I D E N T I A L PESHAWAR 000197

E.O. 12958: DECL: 10/7/2019

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SUBJECT: FATA MNAS CLOSE TO AGREEMENT WITH GOVERNMENT

REF: A) ISLAMABAD 2382; B) PESHAWAR 194

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REASON: 1.4 (b), (d)

¶1. (C) Summary. FATA Caucus leader Munir Orakzai told PO October 4 that Prime Minister Gilani had agreed to satisfy key grievances that had prompted the FATA ministers' resignation from the government (ref A). The government, which Orakzai said had reneged on promises of increased development funding for the FATA, had just delivered two tranches of funds amounting to a total of 2.1 billion rupees (\$25.2 million), and it had committed to restoration of further development funding to the FATA by January. Gilani had allayed FATA parliamentarians' concerns about the potential installation of a new Northwest Frontier Province (NWFP) governor; the current governor and current 11th Corps commander both will be staying on at least until the conclusion of the pending Waziristan operation. Orakzai appears to have leveraged the government's concern about a potential challenge from Nawaz Sharif to extract solid concessions from the government at no cost to his caucus, which even declined Gilani's request that they support the upcoming Waziristan operation in return. End summary.

FATA Grievances

¶2. (C) In an October 4 meeting the leader of the National Assembly's Federally Administered Tribal Areas (FATA) Caucus Munir Orakzai told PO that the resignation of three FATA parliamentarians from their ministerial positions and threatened alignment of 15 with the opposition had been an attempt to force government action on several longstanding FATA grievances. Based on his October 2 meeting with Prime Minister Gilani, he said, these grievances appeared to be close to a satisfactory resolution. He indicated, however, that he would keep up the pressure until he could verify that the government would honor its commitments.

¶3. (C) Primary among the FATA parliamentarians' grievances were unfulfilled promises for development spending on the FATA, which Orakzai said had made the FATA parliamentarians look foolish and ineffective. According to Orakzai, the GOP promised 34 billion rupees (\$540 million) for development work; however, the 2008-9 budget had only totaled 8.56 billion rupees (\$103 million) - and 2.28 billion (\$27.3 million) rupees of this sum had been diverted to other priorities during the year. To add insult to injury, Orakzai said, President Zardari had promised earlier this year to double development spending in the FATA for the 2009-10 budgetary year, only to reveal a budget in which

development spending had increased by just 18 percent.

¶4. (C) Similarly, Orakzai said, the government had promised a special 2.5 billion-rupee (\$30 million) package for electricity in the FATA, but then cut the package to 1 billion rupees (\$12 million); in the end, it had delivered only 600 million rupees (\$7.2 million) of that package. FATA residents felt disadvantaged in other ways as well; Orakzai claimed that victims of terrorism from the FATA received less than half of the compensation that residents of other parts of Pakistan received. All of these failures by the federal government, according to Orakzai, had caused FATA residents to blame the MNAs for pocketing the difference between the amount of spending to which they felt entitled (based on federal government promises or the standards of their neighbors) and that which they were actually receiving.

¶5. (C) Outside of perceived spending discrepancies, Orakzai said, the FATA parliamentarians felt that they had been insufficiently consulted on several issues pertaining to their area. These issues included appointment of Political Agents based on candidates suggested by the Awami National Party (ANP) that rules the NWFP, the potential appointment of a new governor for the Northwest Frontier Province (who as the President's representative has full authority over the FATA), and military operations in the FATA - particularly the ongoing operation in the Khyber Agency. (Note: A journalist contact of the consulate, in a separate conversation, added one further grievance: the government's failure to provide any of the FATA MNAs the houses they had been promised in return for their support for the government's preferred FATA senatorial candidates when the senate seats turned over in early 2009. End note.)

Government Commits More Funds

¶6. (C) Orakzai claimed that the federal government had now made steps toward sufficiently addressing these grievances for the time being. He passed a copy of an official fax declaring the government's intention to return the 2.28 billion rupees (\$27.3 million) diverted from the 2008-9 budget and to add several billion rupees in additional funding to the amount proposed for the 2009-2010 FATA development budget. Orakzai said that 75 percent of the diverted 2008-9 money (1.7 billion rupees - \$20.4 million) had already been released by the federal government for development spending. The government had also released the remaining 400 million rupees (\$4.8 million) of its electricity package. (Note: the FATA Secretariat's chief financial officer confirmed the outlines of this package to the PO on October 5 and said he was now racing to complete development projects before the onset of winter; the money must be spent by the end of the GOP fiscal year on June 30.)

Governor to Stay; Waziristan Operation to Go Ahead

¶7. (C) The question of consultation on a potential new NWFP governor, Orakzai admitted, was at this point not really an issue, as current Governor Owais Ghani would be staying on. Orakzai confirmed that 11th Corps Commander LTG Masood Aslam would be staying on in his current position for another year until the impending campaign in Waziristan had concluded (ref B), and said that Masood had agreed to the extension only on condition that Ghani remain governor through the end of his tour. Nonetheless, Gilani had given the FATA parliamentarians guarantees that they would be consulted at such time as the government did in fact move to change governors. Orakzai said he did not support the proposed candidate to replace Ghani, retiring Lt. General Hamid Khan, primarily because the governor should not be a military man. (Note: the fact that the ANP is supporting Khan's appointment is no doubt another reason for Orakzai's opposition.)

¶8. (C) In return for these commitments by the government, Orakzai said, Gilani had asked only that the FATA

parliamentarians publicly express their support for the upcoming Waziristan operation. The FATA parliamentarians had refused to do this, though Orakzai said that their refusal to commit was based more on fear of militants' retaliation against the members and their families rather than on actual opposition to the operation, which he personally supported. Orakzai did not indicate any commitment by the government regarding the ongoing operation in Khyber.

¶9. (C) Orakzai confirmed reports from Embassy Kabul that the ongoing dispute between Shi'a Turi and Sunni Bushara tribes continued to spill across Paktiya-Kurram border into Orakzai's constituency. However, Orakzai said he believed that less than 1,000 Bushara, including women and children, would likely cross over to Sadda, in Lower Kurram. If the Turi actually granted safe passage, the Bushara would be warmly welcomed and taken care of by their fellow tribesman, he predicted. He dismissed reports of Bushara-Taliban ties, although when pressed agreed that there were notable pockets of militant control in Kurram Agency.

¶10. (C) Comment: Without ceding anything in exchange, Orakzai appears to have skillfully exploited rumors that Nawaz Sharif might try to bring down the government to wrest concessions out of a Pakistan People's Party government that cannot afford to lose FATA's current 11 National Assembly votes. However, a full reconciliation between the government and FATA parliamentarians may be unlikely as long as the current military operation in Khyber continues; that operation is the primary grievance of Hamidullah Jan Afridi, the other ringleader of the FATA walkout, who is under pressure from targeted warlord Mangal Bagh. End comment.

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